

# Submission to the Select Committee on Cost of Living

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## Executive Summary

UNICEF Australia welcomes the opportunity to provide a submission to the Select Committee on Cost of Living. UNICEF is the world's leading organisation working to protect and improve the lives of every child in over 190 countries. In Australia, we amplify children's voices, defend their rights, and help them fulfill their potential, from early childhood through adolescence. Our submission to the Select Committee will focus on the aspects of the inquiry that relate to children and young people, including the cost of living pressures facing Australians and measures to ease the cost of living through the provision of Government services.

The cost of living pressures facing Australians are having profound impacts on children and young people. While latest data indicates inflation may be on the decline, the cost of essential goods and services continues to outpace wage increases, placing financial strain on many households.<sup>1</sup> This impact is disproportionate for low-income families, who continue to face higher relative costs for basic necessities such as food, rent and utilities. The latest Foodbank Hunger Report shows that food insecurity in Australia has reached a critical point, with almost half of low-income households facing food insecurity in 2024 - the worst the situation has been since the cost-of-living crisis began.<sup>2</sup>

Young people are also feeling the impacts of cost of living pressures, with 90% reporting financial difficulties in the past year.<sup>3</sup> Financial strain has exacerbated mental health issues for many young Australians who feel they are missing out on key developmental experiences and opportunities. Additionally, the high cost of education and housing is making it difficult for young people to achieve financial independence and stability.<sup>4</sup>

In this context, the demand for charitable services has increased, with charities increasingly being approached by individuals impacted by the cost of living crisis.<sup>5</sup> Simultaneously, however, cost of living pressures have resulted in a notable decline to charitable donations.<sup>6</sup> Over the past 12 months, charitable giving has decreased by 5.3%, reflecting the financial strain on households across the country. This directly affects the ability of charities to provide essential services and support to vulnerable populations affected by the cost of living pressures.<sup>7</sup> Many Australians rely on these services for basic needs such as food, shelter, and healthcare, making the decline in funding a critical issue that needs immediate attention.

UNICEF Australia is committed to working in partnership with the Government to alleviate cost of living pressures on Australian families and young people. With the impacts to the charitable sector, collaborative efforts are paramount to ensuring continued assistance to those in need. We would welcome the opportunity to speak further to the content of our submission and the recommendations forwarded.

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<sup>1</sup> Australian Bureau of Statistics. (2024). Wage Price Index, Australia, June 2024. <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release>

<sup>2</sup> Foodbank Australia. (2024). Foodbank Hunger Report 2024. Retrieved from [https://reports.foodbank.org.au/wp-content/uploads/2024/10/2024\\_Foodbank\\_Hunger\\_Report\\_IPSOS-Report.pdf](https://reports.foodbank.org.au/wp-content/uploads/2024/10/2024_Foodbank_Hunger_Report_IPSOS-Report.pdf)

<sup>3</sup> Walsh, L., Gallo Cordoba, B., Cutler, B., Huynh, T. B., & Deng, Z. (2023). 2023 Australian Youth Barometer: Understanding young people in Australia today. Monash University. <https://doi.org/10.26180/24087186>

<sup>4</sup> Productivity Commission. (2024). Fairly equal? Economic mobility in Australia. <https://www.pc.gov.au/research/completed/fairly-equal-mobility>

<sup>5</sup> Parliament of Australia. (2023). Chapter 3 - The impact. In Interim report: Cost of living (pp. 1-20). Retrieved from [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Cost\\_of\\_Living/costofliving/Interim\\_Report/Chapter\\_3\\_-\\_The\\_impact#\\_ftn1](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Cost_of_Living/costofliving/Interim_Report/Chapter_3_-_The_impact#_ftn1)

<sup>6</sup> Australian Charities and Not-for-profits Commission. (2024). Australian Charities Report: 10th edition. Retrieved from <https://www.acnc.gov.au/tools/reports/australian-charities-report-10th-edition>

<sup>7</sup> Australian Council of Social Service. (2023). Addressing inadequacy of income support. Retrieved from <https://www.acoss.org.au/wp-content/uploads/2023/02/Addressing-inadequacy-of-income-support-2023-final.pdf>

## Summary of Recommendations

### Enhance social protection measures for low-income families

1. *Increase family tax benefits and subsidies for essential services to provide financial relief to low-income families, including targeted benefits for single-parent families.*

### Improve access to quality early childhood education and care

2. *Ensure that all children have access to affordable, high-quality early childhood education and care (ECEC) through ECEC workforce development and providing subsidies for low-income families.*

### Ensure safe and secure housing availability

3. *Protect low-income families from insecure housing arrangements through rental assistance schemes and protective policies such as extended notice periods and incentives for landlords.*
4. *Support housing programs and policies specifically designed for young people, including those transitioning out of foster care or facing other vulnerabilities.*

### Expand mental health support services

5. *Increase access to mental health services for children and young people, through expanding child-appropriate telehealth services, community and school-based programmes*

### Address decline in charitable giving to support Australians in need

6. *Explore opportunities to support charitable giving through consultation with the charitable sector and adopting the recommendations of the Productivity Commission 'Future Foundations for Giving' report*

## Detailed Recommendations

### Enhance social protection measures for low-income families

The cost of living pressures facing Australians are impacting significantly on children and young people, particularly those in low-income families. Most children and young people in Australia have access to the material basics they need to thrive; however, a subset of children and young people experience profound deprivation, such as inadequate food, housing, and educational resources.<sup>8</sup> Not only are these existing inequalities being compounded by cost of living pressures, but more families are being pushed into conditions of disadvantage and poverty, with flow on effects for children's wellbeing, development and future prospects.<sup>9</sup>

Last year, a comprehensive analysis of child poverty by UNICEF found that one in six children in Australia live in poverty.<sup>10</sup> The analysis also highlighted that forty-one per cent of children in single-parent households are living in poverty, compared to 8.8 per cent of children in two-parent households. In the current financial climate, more and more families are struggling to afford basic necessities as substantial price increases have outpaced wage growth and eroded household purchasing power.<sup>11</sup>

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<sup>8</sup> UNICEF Australia, & ARACY. (2023). Australian Children's Wellbeing Index Report 2023. Retrieved from <https://assets-us-01.kc-usercontent.com/99f113b4-e5f7-00d2-23c0-c83ca2e4cfa2/7157d4c1-214f-4539-8fd7-ee9876b6a8/Australian-Childrens-Wellbeing-Index-Report-2023-for%20print.pdf>

<sup>9</sup>Duncan, A., & Twomey, C. (2024). Child poverty in Australia 2024: The lifelong impacts of financial deprivation and poor-quality housing on child development. Bankwest Curtin Economics Centre. <https://bcec.edu.au/publications/child-poverty-in-australia-2024/>

<sup>10</sup> UNICEF Innocenti. (2023). Report Card 18: Child Poverty in the Midst of Wealth. UNICEF Office of Research – Innocenti.

<sup>11</sup> Australian Bureau of Statistics. (2024). Price indexes and inflation. <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation>

Financial hardship can have profound and lasting impacts on children's health and development, with consistently poorer outcomes experienced by children living in the most socio-economically disadvantaged communities or growing up in regional and remote areas of Australia.<sup>12</sup> Financial pressures mean families are forced to make difficult decisions and cut back on essential items such as nutritious food, quality housing and healthcare.<sup>13</sup> This can lead to a range of physical health issues and developmental delays for affected children.<sup>14</sup> The stress and instability associated with financial hardship can also negatively impact mental health, leading to higher rates of anxiety and depression in children and young people.<sup>15</sup> Educational outcomes are often compromised, as children in poverty may lack access to quality educational resources and support, resulting in lower academic achievement and reduced opportunities for future success.<sup>16</sup> Additionally, the social stigma and exclusion associated with poverty can affect children's self-esteem and social relationships.

UNICEF Australia recommends strong and sustainable social protection measures to ease cost of living pressures for low-income families and address inequitable conditions to support the wellbeing of all children and young people in Australia. Global research conducted by UNICEF shows that direct-to-family, social-assistance cash benefits is one of the most effective interventions in supporting children and families through economic crises, supporting family incomes and protecting children's health and educational.<sup>17</sup> Increasing the coverage and adequacy of child and family benefits in Australia will provide immediate financial relief for families and help them to cover expenses such as food, clothing and utilities essential for their children's health and wellbeing.<sup>18</sup> Targeted support for at-risk families such as low-income and single parent households is essential to prevent exacerbating existing inequalities for children.

### Recommendation

*1. Increase family tax benefits and subsidies for essential services to provide financial relief to low-income families, including targeted benefits for single-parent families.*

### Improve access to quality early childhood education and care

Many children across Australia still do not have access to quality early learning, particularly children from low socio-economic status (SES) backgrounds and those living in rural and remote areas.<sup>19</sup> Rising living costs and financial pressures have exacerbated barriers to quality early childhood education and care (ECEC) and are compounding existing affordability and accessibility inequalities.<sup>20</sup>

Quality early childhood education is a cornerstone of children's wellbeing and development, laying the foundation for lifelong learning and success. Early childhood education supports cognitive, social, emotional, and physical development, helping children build essential skills such as communication, problem-solving, and self-regulation.<sup>21</sup> High-quality early

<sup>12</sup> Barker, B., Sampson, K., Morris, B. & Dundas, R. (2024) Empowering Young Minds: A review of Australian children and young people's learning. Report prepared by ARACY in collaboration with UNICEF Australia. Canberra: ARACY

<sup>13</sup> Foodbank. (2024). Foodbank Hunger Report 2024. Retrieved from [https://reports.foodbank.org.au/wp-content/uploads/2024/10/2024\\_Foodbank\\_Hunger\\_Report\\_IPSOS-Report.pdf](https://reports.foodbank.org.au/wp-content/uploads/2024/10/2024_Foodbank_Hunger_Report_IPSOS-Report.pdf)

<sup>14</sup> UNICEF Innocenti. (2023). Children and the Cost-of-Living Crisis. UNICEF Office of Research – Innocenti. Retrieved from UNICEF.

<sup>15</sup> Duncan, A., & Twomey, C. (2024). Child poverty in Australia 2024: The lifelong impacts of financial deprivation and poor-quality housing on child development. Bankwest Curtin Economics Centre. <https://bcec.edu.au/publications/child-poverty-in-australia-2024/>

<sup>16</sup> UNICEF. (n.d.). Child poverty. Retrieved October 23, 2024, from <https://www.unicef.org/social-policy/child-poverty>

<sup>17</sup> Tirivayi, Nyasha, et al., 'A Rapid Review of Economic and Social Protection Responses to Health and Economic Crises and Their Effects on Children: Lessons for the COVID-19 pandemic response', Innocenti Working Paper 2020-02, United Nations Children's Fund Office of Research – Innocenti, Florence, 2020

<sup>18</sup> UNICEF Innocenti. (2023). Children and the Cost-of-Living Crisis. UNICEF Office of Research – Innocenti. Retrieved from UNICEF.

<sup>19</sup> Barker, B., Sampson, K., Morris, B. & Dundas, R. (2024) Empowering Young Minds: A review of Australian children and young people's learning. Report prepared by ARACY in collaboration with UNICEF Australia. Canberra: ARACY

<sup>20</sup> Australian Competition and Consumer Commission. (2023). Pricing practices and operating costs of childcare services to be examined, as latest ACCC report confirms fees outpaced inflation. <https://www.accc.gov.au/media-release/pricing-practices-and-operating-costs-of-childcare-services-to-be-examined-as-latest-accc-report-confirms-fees-outpaced-inflation>

<sup>21</sup> UNESCO. (2022). Why early childhood care and education matters. <https://www.unesco.org/en/articles/why-early-childhood-care-and-education-matters>

education environments provide children with stimulating and nurturing experiences that promote brain development and prepare them for future academic challenges. Additionally, children who attend quality early education programs are more likely to perform better in school, have higher graduation rates, and experience improved social and emotional outcomes.<sup>22</sup>

Quality of care is strongly linked to access and equity, and research has shown that children from the most disadvantaged demographics gain the greatest outcomes from quality ECEC, and conversely, are the most adversely affected by low-quality ECEC.<sup>23</sup> Despite government initiatives like the Cheaper Child Care policy, which has reduced out-of-pocket costs for many families, the overall expenses remain a burden for low- and middle-income households.<sup>24</sup> Additionally, the increased costs for providers to operate can affect the quality and availability of childcare services, as providers struggle to balance rising operational expenses with maintaining affordable fees. Financial pressures such as these force many parents to reduce working hours or rely on more informal or lower quality care arrangements.

Prioritising universal access to high-quality ECEC, as recommended in the Productivity Commission's *A path to universal early childhood education and care* report, is essential for alleviating the impacts of rising living costs on vulnerable families and ensure all children have access to quality early childhood education and care, essential for their development and future success.<sup>25</sup> Fully subsidised Early Childhood Education and Care (ECEC) would ensure that cost is not prohibitive for low-income families and can help to bridge the gap for families most in need, to ensure children receive the early education and care they need and place them on a pathway to healthy development. Investing in early childhood education, such as expanding the ECEC workforce and improving wages, particularly in regional and remote areas, is also essential to ensure quality care is available to all families, reducing disparities and promoting social mobility.<sup>26</sup>

Education is a powerful tool for breaking the cycle of poverty, and it is imperative that we invest in our children's futures by ensuring they have the best possible start in life. UNICEF Australia strongly recommends the government prioritises universal access to affordable, high-quality ECEC as a key mechanism to protect children against the adverse effects of rising living costs and create equal opportunities for all children to succeed.

### Recommendation

2. Ensure that all children have access to affordable, high-quality early childhood education and care (ECEC) through ECEC workforce development and providing subsidies for low-income families.

### Ensure safe and secure housing availability

The rising cost of living and persistent inflation are significantly impacting housing affordability in Australia. Over the past year, housing costs, including rent and mortgage interest rates, have surged, outpacing general inflation and wage growth.<sup>27</sup> This has made it increasingly difficult for many Australians to secure affordable housing, with rental prices projected to continue rising in 2024. The increased financial burden is particularly challenging for low- and middle-income

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<sup>22</sup> Paris, J. (2023). Children's well-being and early childhood education. In Health, safety, and nutrition. LibreTexts. [https://socialsci.libretexts.org/Bookshelves/Early\\_Childhood\\_Education/Book%3A\\_Health\\_Safety\\_and\\_Nutrition\\_%28Paris%29/Section\\_1%3A\\_Introduction/01%3A\\_Childrens\\_Well-Being\\_and\\_Early\\_Childhood\\_Education](https://socialsci.libretexts.org/Bookshelves/Early_Childhood_Education/Book%3A_Health_Safety_and_Nutrition_%28Paris%29/Section_1%3A_Introduction/01%3A_Childrens_Well-Being_and_Early_Childhood_Education)

<sup>23</sup> Barker, B., Sampson, K., Morris, B. & Dundas, R. (2024) Empowering Young Minds: A review of Australian children and young people's learning. Report prepared by ARACY in collaboration with UNICEF Australia. Canberra: ARACY

<sup>24</sup> Department of Education. (2024). Budget 2024–25: Next steps to building universal early childhood education and care. <https://www.education.gov.au/early-childhood/announcements/budget-202425-next-steps-building-universal-early-childhood-education-and-care>

<sup>25</sup> UNICEF. (2021). Affordable, quality childcare inaccessible in many of the world's wealthiest countries. UNICEF. <https://www.unicef.org/press-releases/affordable-quality-childcare-inaccessible-many-worlds-wealthiest-countries-unicef>

<sup>26</sup> Productivity Commission. (2024). A path to universal early childhood education and care: Inquiry report (Report No. 106, Vol. 1). <https://www.pc.gov.au/inquiries/completed/childhood/report/childhood-volume1-report.pdf>

<sup>27</sup> Australian Bureau of Statistics. (2024). Rises in living costs across all household types. <https://www.abs.gov.au/media-centre/media-releases/rises-living-costs-across-all-household-types>

households, who are already struggling with higher costs for essential goods and services.<sup>28</sup> Additionally, the rollover of fixed-rate mortgages to higher variable rates has led to substantial increases in mortgage interest charges, further straining household budgets.<sup>29</sup> Addressing these housing affordability issues is crucial to ensure that all Australian families and young people have access to stable and affordable living conditions, essential for their wellbeing and development.

Safe, stable and quality housing is fundamental to children's overall wellbeing, yet with increasing costs, many families are forced to allocate a larger portion of their income to housing, leaving less for other essential needs, and others facing the risk of eviction and homelessness.<sup>30</sup> Families struggling with housing affordability are more likely to move frequently in search of cheaper rent, often ending up in substandard housing or overcrowded living conditions and the impacts on children and young people are significant. Poor housing conditions are linked to a range of health issues including respiratory infections, asthma and mental health problems such as chronic stress, anxiety and depression.<sup>31</sup> The instability of frequent moves can also severely disrupt children's education and social development, and overcrowding can limit the availability of quiet study space for children to focus on their schoolwork for educational achievement.<sup>32</sup>

For young people out of home in Australia, housing affordability and availability is a significant concern, with unmanageable rent increases, short term leases and limited housing availability being cited as significant barriers to securing stable and adequate housing.<sup>33</sup> The 2021 Census showed that young adults aged 19 to 24 years have the highest rate of homelessness of any age group and nearly one in four of all people experiencing homelessness (23%) is aged 12 to 24 years.<sup>34</sup> This has a range of adverse impacts for young people including physical and mental health issues, disrupted education and social networks and difficult finding and maintaining employment without a stable home.

Investing in affordable housing initiatives and providing rental assistance and support programs for families struggling to pay rent can help to mitigate the risks of homelessness and housing instability during cost-of-living pressures. This is essential for ensuring that all children and young people have the opportunities to thrive and reach their full potential in spite of economic pressures.

### Recommendation

3. *Protect low-income families from insecure housing arrangements through rental assistance schemes and protective policies such as extended notice periods and incentives for landlords.*
4. *Support housing programs and policies specifically designed for young people, including those transitioning out of foster care or facing other vulnerabilities.*

## Expand Mental Health Support Services

The cost of living crisis impacts significantly on the mental health of children and young people, as well as exacerbating barriers to accessing appropriate and quality care. Financial instability and the constant struggle to meet basic needs can

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<sup>28</sup> Simply Wealth Group. (2024). Cost of living Australia 2024: Insights for your financial future. <https://simplywealthgroup.com.au/cost-of-living-australia-2024/>

<sup>29</sup> Australian Bureau of Statistics. (2024). Rises in living costs across all household types. <https://www.abs.gov.au/media-centre/media-releases/rises-living-costs-across-all-household-types>

<sup>30</sup> UNICEF UK. (2022). Children's rights in the new normal: Housing. UNICEF UK. [https://www.unicef.org/child-friendly-cities/wp-content/uploads/sites/3/2022/02/5.-Housing\\_UNICEF-UK-New-Normal-series.pdf](https://www.unicef.org/child-friendly-cities/wp-content/uploads/sites/3/2022/02/5.-Housing_UNICEF-UK-New-Normal-series.pdf)

<sup>31</sup> Barnardo's. (2022). At what cost? The impact of the cost-of-living crisis on children and young people. Barnardo's. <https://www.barnardos.org.uk/research/what-cost-impact-cost-living-children-and-young-people>

<sup>32</sup> UNICEF Office of Research - Innocenti. (2020). Places and spaces: Environments and children's well-being. UNICEF. <https://www.unicef.org/innocenti/reports/places-and-spaces-environments-and-childrens-well-being>

<sup>33</sup> Monash Centre for Youth Policy and Education Practice (CYPEP), Walsh, L., Gallo Cordoba, B., Cutler, B., & Huynh, T. B. (2023). The 2023 Australian Youth Barometer. Monash University.

<sup>34</sup> Australian Bureau of Statistics. (2023). Estimating homelessness: Census 2021. ABS. <https://www.abs.gov.au/statistics/people/housing/estimating-homelessness-census/latest-release>

lead to heightened levels of anxiety and depression within families and can exacerbate pre-existing conditions.<sup>35</sup> A report by Mental Health Australia in 2023 revealed that more than one in two Australians felt the rising cost of living was dramatically affecting their mental health.<sup>36</sup> It also found that financial stress is a major contributor to increased anxiety and depression among Australians. This stress can trickle down to children who are particularly vulnerable to the emotional impacts of financial stress - the constant worry about their family's financial situation can lead to emotional and behavioural issues, such as anxiety, depression, and aggression.<sup>37</sup> These issues can affect children's academic performance and social relationships, further compounding stress and anxiety. Financial constraints can also limit children's participation in social and extracurricular activities, impacting on their social development and mental well-being.<sup>38</sup>

In this context, mental health services are crucial, yet rising living costs often mean that families prioritise immediate financial needs over healthcare, including mental health support.<sup>39</sup> Concern over potential hidden or additional costs of mental health services can deter families from seeking necessary support, often resulting in delayed or foregone mental health care, which is critical for early intervention and effective treatment.<sup>40</sup> Conversely, the increased demand for mental health services resulting from rising living costs can stretch existing service resources thin, leading to longer waiting times and reduced availability of services, making it harder for families to get timely help.<sup>41</sup> Overburdened services may struggle to provide the comprehensive care needed to address the complex mental health issues arising from financial stress.

Protecting the mental health of children and young people at this time is crucial. In Australia, one in seven children aged four to seventeen are already experiencing a mental illness and this can lead to number of difficulties in education, employment, social relationships and risk of physical health problems.<sup>42</sup> Increasing the accessibility and affordability of mental health services and programs can help to alleviate some of the adverse outcomes associated with economic hardship. Expansion of services and targeted subsidies for example, can help at risk individuals receive the support they need and prevent the escalation of mental health concerns. Increased investment in community-based programs such as peer support, educational workshops and counselling can also provide crucial support helping families build resilience and cope with the challenges posed by cost of living pressures.

## Recommendation

*5. Increase access to mental health services for children and young people, through expanding child-appropriate telehealth services, community and school-based programmes*

## Address decline in charitable giving to support Australians in need

In addition to the response and recommendations provided in this submission, UNICEF Australia would like to bring the Committee's attention to the impact of the cost of living on charitable giving in Australia. The rising cost of living has significantly impacted charitable giving in Australia. As household expenses increase, many Australians find it harder to

<sup>35</sup> Mental Health Australia. (2023). The cost-of-living crisis is dramatically impacting Australians' mental health. Mental Health Australia. <https://mhaustralia.org/media-releases/cost-living-crisis-dramatically-impacting-australians-mental-health>

<sup>36</sup> Mental Health Australia. (2023). 2023 Report to the Nation. Retrieved from <https://mhaustralia.org/report/2023-report-nation>

<sup>37</sup> UNICEF Europe and Central Asia Regional Office. (2021). Annual report 2021. Geneva, Switzerland: UNICEF.

<sup>38</sup> UNICEF UK. (2023). Families with young children: The impact of the cost-of-living crisis on mental health and wellbeing. London, UK: UNICEF UK

<sup>39</sup> UNICEF. (n.d.). Child poverty. Retrieved October 23, 2024, from <https://www.unicef.org/social-policy/child-poverty>

<sup>40</sup> UNICEF UK. (2022). Over half of all families in Britain with children under 5 struggle financially or with their mental health. UNICEF UK.

<https://www.unicef.org.uk/new-survey-reveals-over-half-of-all-parents-with-young-children-in-britain-over-2-million-families-are-struggling-financially-or-with-their-mental-health-as-1-in-3-struggle-to-get-profess/>

<sup>41</sup> UNICEF UK. (2023). Families with young children: The impact of the cost-of-living crisis on mental health and wellbeing. London, UK: UNICEF UK

<sup>42</sup> Mental Health Australia. (2023). The cost-of-living crisis is dramatically impacting Australians' mental health. Mental Health Australia. <https://mhaustralia.org/media-releases/cost-living-crisis-dramatically-impacting-australians-mental-health>

donate, leading to a notable reduction in contributions - a decline of 5.3% in the last 12 months.<sup>43</sup> Where there have been increases in donations, the rise in operating expenses continues to be a source of pressure.<sup>44</sup>

This financial strain has made it challenging for charities in Australia to meet the growing demand for services and directly affects the ability of charitable organisations to provide essential services and support for vulnerable populations. Many Australians rely on such services for basic needs such as food, shelter, and healthcare, and cost of living pressures are increasing the demand for these supports. 96% of welfare recipients already find their support inadequate to cover basic goods and cost of living pressures are exacerbating existing hardship.<sup>45</sup>

Ensuring adequate funding for the charitable sector is essential for supporting low-income families in need and also has implications for the Government achieving their goal of doubling charitable giving by 2030. The current trend undermines this objective, highlighting the need for strategic interventions to bolster charitable contributions.

UNICEF Australia urges the government to take strategic action to support charitable giving in Australia through measures such as tax incentives for donors and awareness campaigns to encourage giving. The latest Productivity Commission *Future Foundations for Giving* report provides viable recommendations for boosting philanthropic giving, including piloting a charity voucher scheme, designed to encourage charitable giving by providing individuals with vouchers that can be donated to registered charities of their choice. UNICEF Australia supports the trialling of this scheme and its' intent to increase public engagement in philanthropy and make giving more accessible and straightforward for a broader segment of the population.

Addressing the current decline in charitable giving is an important way for the Government to support charities to continue their vital work in advancing social welfare in Australia. UNICEF Australia is committed to working with Government to illuminate the impacts of cost of living pressures on the charitable sector and implications for our work across the Australian community and internationally. We welcome the opportunity to speak with you further on this matter.

#### **Recommendation**

*6. Explore opportunities to support charitable giving through consultation with the charitable sector and adopting the recommendations of the Productivity Commission 'Future Foundations for Giving' report*

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<sup>43</sup> Australian Charities and Not-for-profits Commission. (2024). A decade of data: Australian Charities Report unveils sector's economic impact amid rising costs. Australian Charities and Not-for-profits Commission. <https://www.acnc.gov.au/media/news/decade-data-australian-charities-report-unveils-sectors-economic-impact-amid-rising-costs>

<sup>44</sup> Australian Charities and Not-for-profits Commission. (2024, June 6). A decade of data: Australian Charities Report unveils sector's economic impact amid rising costs. Australian Charities and Not-for-profits Commission. <https://www.acnc.gov.au/media/news/decade-data-australian-charities-report-unveils-sectors-economic-impact-amid-rising-costs>

<sup>45</sup> Australian Council of Social Service. (2023). Addressing inadequacy of income support. Retrieved from <https://www.acoss.org.au/wp-content/uploads/2023/02/Addressing-inadequacy-of-income-support-2023-final.pdf>